

RESOLUTION NO. 2015-030

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF REEDLEY
DETERMINING SPECIAL TAX RATES FOR FISCAL YEAR 2015-2016 FOR
THE CITY OF REEDLEY COMMUNITY FACILITIES DISTRICT NO. 2005-1
(PUBLIC SERVICES)**

WHEREAS, in proceedings heretofore conducted by this Council pursuant to the Mello-Roos Community Facilities Act of 1982, Section 53311 et seq. of the California Government Code (the "Law"), this Council on November 8, 2005, adopted a resolution entitled "A Resolution of the City Council of the City of Reedley Declaring Results of Special Election and Directing Recording of Notice of Special Tax Lien" finalizing the formation of the City of Reedley Community Facilities District No. 2005-1 (Public Services) (the "District") pursuant to the Mello-Roos Community Facilities Act of 1982, California Government Code Section 53311 et seq. (the "Law");

WHEREAS, the City Clerk executed and caused to be recorded in the office of the County Recorder of the County of Fresno a notice of special tax lien in the form required by the Law.

WHEREAS, Maximum Special Tax Rates were established as follows:

Category I includes each Developed Parcel within the District for which a building permit has been issued prior to July 1 of the current Fiscal Year. Said Maximum Special Tax shall increase each Fiscal Year thereafter by an inflation factor which is the Annual All Urban Consumer Price Index (CPI) for the San Francisco-Oakland-San Jose area.

TABLE 1 MAXIMUM SPECIAL TAX FISCAL YEAR 2015-16 CATEGORY I Special Tax Per Dwelling Unit / Acre	
DEVELOPMENT TYPE	SPECIAL MAXIMUM TAX RATE
Single Family Residential (per dwelling unit)	\$ 911.00
Multi-Family Residential (per dwelling unit)	\$ 678.00
Non-Residential (per gross building square foot)	\$ 0.25
Affordable Housing (per dwelling unit)	\$ 460.00
Infill Non Residential (per building square foot)	\$ 0.12

Category II includes each Parcel within the District that is not included in Category I.

The Maximum Special Tax that may be levied annually on Taxable Property in Category II beginning with the Fiscal Year starting July 1, 2015 ending June 30, 2016 is as set forth in Table 2 below per Net Developable Acre (said amount to be levied pro-rata for any portion of an acre). Said special tax shall increase each Fiscal Year thereafter by an inflation factor which is the Annual All Urban Consumer Price Index (CPI) for the San Francisco-Oakland-San Jose area.

TABLE 2 MAXIMUM SPECIAL TAX FISCAL YEAR 2015-16 CATEGORY II Special Tax Per Net Developable Acre
\$ 740.00 per acre

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF REEDLEY AS FOLLOWS:

1. The following Special Tax Rates shall be levied for the ensuing 2015-2016 fiscal year on all eligible properties in the District per the Rate and Method of Special Tax.

ADOPTED SPECIAL TAX FISCAL YEAR 2015-16	
CATEGORY I	
Special Tax Per Dwelling Unit / Acre	
DEVELOPMENT TYPE	SPECIAL TAX RATE
Single Family Residential (per dwelling unit)	\$ 911.00
Multi-Family Residential (per dwelling unit)	\$ 678.00
Non-Residential (per gross building square foot)	\$ 0.25
Affordable Housing (per dwelling unit)	\$ 460.00
Infill Non Residential (per building square foot)	\$ 0.12
ADOPTED SPECIAL TAX FISCAL YEAR 2015-16	
CATEGORY II	
Special Tax Per Net Developable Acre	
\$ 740.00 per acre	

2. This Resolution shall take effect upon its adoption.

This Resolution was duly passed, approved, and adopted by the City Council of the City of Reedley this 14th day of April, 2015 by the following vote:

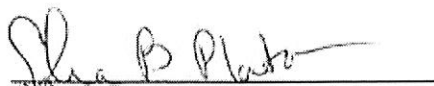
AYES: Betancourt, Rodriguez, Soleno.

NOES: Fast.

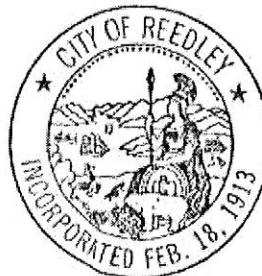
ABSENT: Beck.

ABSTAIN: None.

ATTEST:


Sylvia Plata, City Clerk


Ray Soleno, Mayor





CITY OF REEDLEY

Fire Administration

1060 D Street, Reedley CA 93654

Jerald K. Isaak, Fire Chief

MEMORANDUM

DATE: March 27, 2015

TO: Paul Melikian, Director, Administrative Services and Finance

SUBJECT: Community Facilities District Projected Expenditures FY 2015/2016

The CFD as adopted per Resolution 2005-109 and governed by Section 53311.5 of the Government Code of the State of California (The Act) specifically states that the first priority for the funds are for fire and emergency medical services, then police and public safety, and finally park maintenance. More specifically: (i) fire protection and suppression services; (ii) emergency medical services including ambulatory services; (iii) community information with regard to public safety; (iv) earthquake and other emergency relief programs; (v) other public safety services, including police protection services, authorized to be funded under Section 53313(a) or (b) of The Act; (vi) park operation and maintenance expenses; and, (vii) repair and replacement of park facilities.

Based on current estimates, the City of Reedley anticipates there will be 446 homes, 95 multi-family units, 108 affordable housing units and 15 non-residential properties within the Community Facilities District for the 2015/2016 Fiscal Year. The impact on the Fire Department to provide services for the district is estimated to be \$126,855.00. This is based on applying Fire Department personnel costs and associated operating expenses for administration, equipment, training, planning and maintenance to respond within the district. Any balance is reserved to provide an allowable buffer and funding of future Fire Department services and maintenance.

Respectfully submitted,




MEMORANDUM

Jose L. Garza
OFFICE OF THE CHIEF OF POLICE
843 "G" Street
Reedley, CA 93654

Date: March 31, 2015

To: Paul Melikian, Director of Administrative Services

From: Jose L. Garza, Chief of Police 

Subject: Community Facility District Budget Needs: 2015-2016 Fiscal Year

In review of the estimation of housing being assessed in the 2015 – 2016 fiscal year, it was determined that 446 new single family parcels, 108 Affordable Housing Units and an additional 95 Multi-family Units and approximately 134,139 square feet between 15 non-residential properties would be part of that assessment. In determining the impact, the new development would have on the police department we calculated that the City of Reedley would grow by a population of approximately 2,271 new residents. This calculation was derived from utilizing the state average of 3.5 population increase per home.

The police department responded to approximately 24,326 calls for service in 2014 (1.03 calls per resident), which increased as compared to 2013 when approximately 23,161 calls for service were received. The increase of housing, if all homes were occupied, would increase the population to 27,371 which means the police department would respond to approximately 1.12 calls for service for each resident once per year.

In calculating the cost, for police services it was determined that our calls for service would increase by 2,543 calls for service. On average each call costs the police department \$260.26 for a total cost of \$661,841.

The cost would include the time required for an officer to handle incident, dispatching time, records clerk input time, fuel cost, supervision, etc. The cost is a very conservative figure, which does not take into account increased normal preventive patrol time associated with each new resident, increased traffic created by residents and commuter traffic frequenting the commercial establishments.



City of Reedley

Public Works Department
1733 Ninth Street
Reedley, CA 93654
(559) 637-4200
FAX 637-2139

March 24, 2015

To: Paul Melikian, Director of Administrative Services

Dear Mr. Melikian

Re: Community Facilities District- Parks Maintenance Services

The City of Reedley anticipates that approximately 446 single family units, 95 multiple family units, 108 Affordable Housing Units, and 134,193 square feet of non-residential properties will be served under the CFD in the 2015-2016 budget year.

In review of services provided, it is determined that the Parks Maintenance Department will provide said residents services in excess of \$51,550 for the 2015-16 fiscal year. This amount was calculated by applying the cost of personnel (part time and full time parks maintenance workers), equipment, fuel, and vehicle maintenance costs.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Russ Robertson", is written over a horizontal line.

Russ Robertson
Public Works Director



Administrative Services Department
845 G. St, Reedley CA 93654

DATE: April 7, 2015
TO: Community Facilities District 2005-01 File
FROM: Paul A. Melikian, Director of Finance & Administrative Services 
SUBJECT: FY 2015-16 CFD Administration Costs

The total costs for administration of the Community Facilities District is \$13,050, as follows:

Annexations - \$4,000

The following time is associated with each processing of a CFD annexation. It is estimated that we will process, on average, two per year. The processes incur costs of approximately \$3,500 of staff time based on current year's salary & benefit amounts to process two CFD annexations annually, and to assemble and report the new assessments to the Fresno County Assessor's Office. \$500 is allocated to legal review of recorded annexations.

Annual Tax Roll Reporting - \$5,500

The City utilizes a consultant to prepare the reports to the County at a cost of \$5,500.

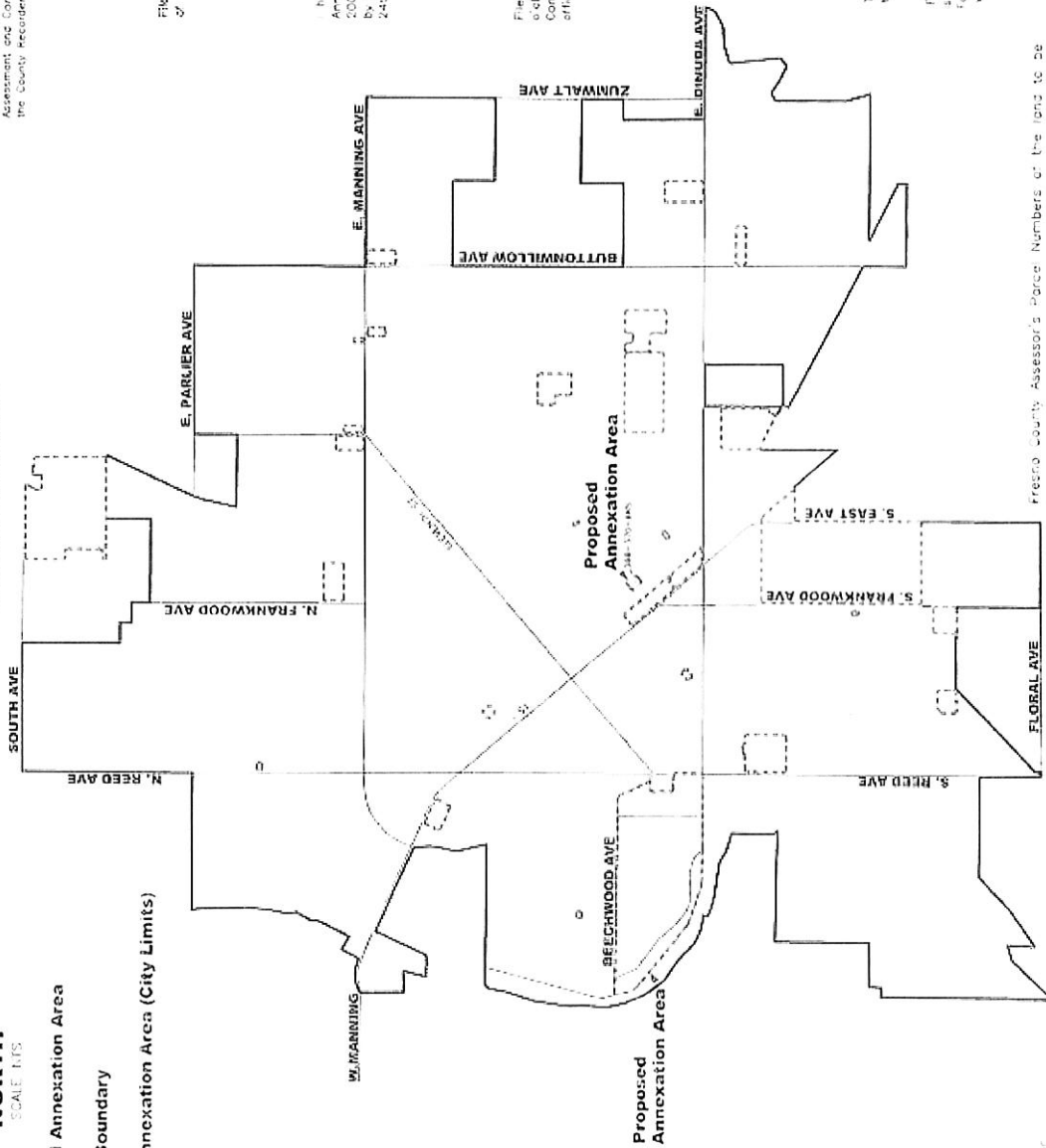
General Administration - \$3,550

The annual cost of administering the CFD, including annual CPI adjustments, auditing, and financial administration of the fund is \$3,550.

**Annexation Map No. 10
COMMUNITY FACILITIES DISTRICT NO. 2005-1
(PUBLIC SERVICES)
CITY OF REEDLEY
COUNTY OF FRESNO
STATE OF CALIFORNIA**



Proposed Annexation Area
Current Boundary
Future Annexation Area (City Limits)



Prepared By:
City of Reedley
Engineering Dept.
4733 4th Street
Reedley, CA 95564
Phone: (559) 827-4700

2014 Updated Regional Community Facilities District, 2005-1 (CFLD-2005-1A) (Rev. 10/14/14)

Sheet 1 of 1

Reference is hereby made to that certain map entitled "Proposed Boundary Map of the Community Facilities District No. 2005-1 (Public Services), City of Reedley, County of Fresno, California," which was filed for record in the office of the County Recorder of the County of Fresno, State of California, on the 12th day of October, 2005, at the hour of 4:30 o'clock in the afternoon, and to the Assessor and Community Facilities District of Page 25, (Assessment No. 02417-900) in the office of the County Recorder of the County of Fresno, State of California, which is an Annexation Map of the

Filed in the office of the City Clerk of the City of Reedley this _____ day of _____, 2015.

By: _____
Sylvia Pardo, City Clerk

I hereby certify that the within map showing proposed boundaries of Annexation No. 10 to the City of Reedley Community Facilities District No. 2005-1 (Public Services), County of Fresno, State of California, was approved by the City Council of the City of Reedley, at a meeting thereof, held on the 24th day of March, 2015, by its Resolution No. 2015-027.

At: _____
Sylvia Pardo, City Clerk

Filed this _____ day of _____, 2015, at the hour of _____ o'clock, in the _____ Book _____ Page _____ of Maps of Assessment and the _____ Community Facilities Districts and as Instrument No. _____ in the office of the County Recorder in the County of Fresno, State of California.

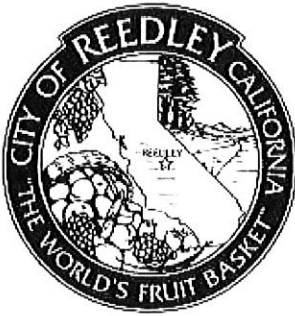
Noted: _____
By: Deputy County Recorder
County Recorder
County of Fresno
State of California

1023F

This diagram is only for the purpose of indicating the lots being assessed. The assigned assessment numbers for said lots and the relationship to the surrounding streets.

For a detailed description of the laws and dimensions of the lots, reference is made to the Fresno County Assessor's Maps for the fiscal year 2014-2015 for the information on the streets and other appurtenant features and dimensions within the subdivide area reference is made to the filed "Proposed Map of the

Fresno County Assessor's Parcel Numbers of the land to be included in Community Facilities District No. 2005-1, Annexation Map No. 10: 365-370-66S




REEDLEY CITY COUNCIL

- ☒ Consent
- ☐ Regular Item
- ☐ Workshop
- ☐ Closed Session
- ☐ Public Hearing

ITEM NO: 7

DATE: April 14, 2015

TITLE: ADOPT RESOLUTION NO. 2015-030 ESTABLISHING THE FY 2015-16 RATES FOR COMMUNITY FACILITY DISTRICT (CFD) 2005-01 AND SETTING DEPARTMENT ALLOCATIONS

SUBMITTED: Paul A. Melikian, Director of Finance & Administrative Services 

APPROVED: Nicole R. Zieba, City Manager 

RECOMMENDATION

That the City Council adopt Resolution No. 2015-030 establishing the FY 2015-16 annual tax amount for properties within the Reedley Community Facilities District No. 2005-1. Staff recommends that the current tax rate be adjusted by the 2.84% Consumer Price Index (CPI) amount for the 2015-16 fiscal year, and to allocate the funds for the 2015-16 fiscal year at the existing 15% for Fire, 74% for Police, 9% for Parks, and 2% for Administration costs.

BACKGROUND

The Mello-Roos Community Facilities Act of 1982, allows a City to establish a Community Facilities District (CFD) to finance a variety of services. The Reedley Community Facilities District 2005-1 was established in 2005 to finance operational expenses associated with public safety (police and fire) and park maintenance. Services provided within the CFD area do not supplant General Fund activities which are established at a baseline historic spending level using 2005-06 appropriation levels.

RATES

In April 2014, the City Council set the maximum tax rate for Reedley Community Facilities District No. 2005-1 in accordance with the procedures for establishing rates in the enacting resolution. Each year, the City Council must review the percentage change in the Consumer Price Index for San Francisco-Oakland-San Jose area, and adopt the upcoming year's tax rates. The CPI change over the last 12 months is 2.84%. Per Council Resolution #2005-109, the proposed fees are brought forth each year in April/May for consideration of two items: 1) setting the annual CFD tax amount for the upcoming fiscal year and 2) establishment of the allocation of revenue to City Departments for the upcoming fiscal year. The following table summarizes the current tax rate for FY 2014-15 and the proposed tax rate based on a 2.84% CPI increase of the maximum allowable tax rate. If a lower tax rate is considered, it must be universally applied to each building type category within the CFD.

Building Type	Current Maximum Rate	Proposed Maximum Rate 2.84% CPI
Single Family Home	\$886 per unit	\$911 per unit
Multi Family Residential	\$659 per unit	\$678 per unit
Affordable Housing	\$447 per unit	\$460 per unit
Non Residential	\$0.24 per square foot	\$0.25 per square foot
Infill Non Residential	\$0.12 per square foot	\$0.12 per square foot
Undeveloped	\$719 per acre	\$740 per acre

Under existing Council policy, each year as properties develop, they are annexed into the district. For FY 2015-16, it is anticipated that the District will serve 446 single family homes, 201 affordable/multi-family units, 15 commercial or non-residential properties totaling 134,193 square feet and 107.33 acres of vacant land. If additional properties develop, they will also be served, however the City will not collect fees until the following tax year. The projected FY 2015-16 revenue based on 2.84% CPI increase is \$561,000. This amount is \$15,000 more than what was projected to be collected this fiscal year, which includes pending annexation activity.

Although the fee may be set by the City Council at any amount as long as it is applied uniformly, staff recommends that the fee be set at the maximum allowable. The recommendation is based on the anticipated costs to provide services to the CFD areas, which includes those incremental cost increases that the City's vendors pass to the City. According to the attached memos covering Police, Fire, Public Works, and Administration services, the anticipated costs to service the CFD area are \$655,125, \$123,352, \$46,845, and \$10,340 respectively, for a total of \$835,662. The amounts collected at the maximum proposed rate do not fully cover the costs to provide services. The anticipated difference of \$318,662 will come from the General Fund; therefore setting the rate at less than the maximum will further impact the General Fund budget for next fiscal year.

ALLOCATIONS

The Special Tax Report establishing the CFD identified the use of CFD funds at a specific allocation amount for each service. The City Council has the annual discretion to change the amount based upon budgetary needs and requirements. The following table summarizes the prior years and proposed allocation for next year, which remains unchanged from the last three fiscal years.

	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	Proposed FY 2015-16
Fire Services	12%	15%	15%	15%	15%
Police Services	78%	74%	74%	74%	74%
Parks Services	10%	9%	9%	9%	9%
Administration	-	2%	2%	2%	2%

Each service receives its appropriate share of the adopted revenue amount each year and that balance is restricted and carried over each year if / when revenues exceed expenditures. In FY 2012-13, the Departmental allocation formally recognized the amount spent annually for the administration of the CFD program; which includes processing new annexations, reporting new assessments to the Fresno County Assessor's Office, legal review of recorded annexations, and financial administration of the fund. It is entirely appropriate to charge administrative costs to CFD revenue, and the City's current and proposed allocation of 2.0% is well below that of many other municipalities.

The following table summarizes estimated CFD fund balances as of June 30, 2015, the estimated revenue for next year broken out by Department percentage allocations, then netting out the estimated expenses to get to the required General Fund offset.

	Estimated Balance on June 30, 2015	2015/16 Estimated Revenue	2015/16 Estimated Expenditures	2015/16 Required General Fund Offset	Estimated Unused Balance June 30, 2016
Fire	\$ 3,121	\$ 84,150	\$ 126,855	\$ 39,584	0
Police	16,323	415,140	661,841	230,378	0
Parks	2,012	50,490	51,550	(952)	0
Administration	2,319	11,220	13,050	(489)	0
Total	\$ 23,775	\$ 561,000	\$ 853,296	\$ 268,521	0

FISCAL IMPACT

If the maximum rate allowable is established, the FY 2015-16 General Fund budget will realize an estimated expenditure relief of \$561,000 for Fire, Police and Park services for parcels within the CFD boundary.

Attachments

1. Resolution No. 2015-030
2. Police, Fire, Parks & Administration FY 2015-16 Departmental Budgetary Requirements
3. 2014 CPI-U for San Francisco-Oakland-San Jose
4. Map of CFD Boundary